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UNCLAS SECTION 01 OF 03 JAKARTA 002279

SIPDIS

FROM AMBASSADOR HUME TO S, D, P, E, G
DEPARTMENT PLEASE PASS TO TRANSITION TEAM
STATE FOR USAID ADMINISTRATOR FORE
STATE PASS TO PEACE CORPS DIRECTOR TSCHETTER, OPIC
PRESIDENT MOSBACHER, USTR FOR AUSTR WEISEL, EXIM FOR VP
MORIN

E.O. 12958: N/A
TAGS: [PREL](#) [PGOV](#) [KDEM](#) [EFIN](#) [SENV](#) [ID](#)
SUBJECT: A RARE MOMENT TO ADVANCE U.S. INTERESTS IN
INDONESIA

REF: JAKARTA 2197

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¶1. This message is Sensitive But Unclassified; please handle accordingly.

¶2. (SBU) SUMMARY: 2009 presents a moment of opportunity to advance U.S.-Indonesian relations, with a creative smart power approach. This message describes that opportunity and outlines how we can develop a strong 21st century partnership between these two large and diverse democracies. We can use a strategic partnership to advance U.S. interests in fostering democracy, ensuring regional security, combating climate change, and promoting education. Although the current financial crisis and Indonesia's upcoming elections will bring new pressures here, a strategic partnership with the U.S. can add important elements of stability and self-confidence for Indonesia. A smart power strategy could transform Indonesia into a regional leader that helps the United States accomplish its goals in Southeast Asia and the Muslim world. Mission requests authorization to respond positively to President Yudhoyono's November 14 suggestion that the two countries form a strategic partnership and guidance for launching discussions with Indonesia on the elements of such a partnership. END SUMMARY.

WHY INDONESIA?

¶3. (SBU) President Yudhoyono's invitation to form a strategic partnership is an opportunity for the United States to promote its interests bilaterally, regionally, and internationally. Indonesia is now the world's third largest democracy, a country that turned back the threat of terrorism, and the cornerstone of non-Confucian Asia. Bilaterally, the termination of the travel warning on Indonesia and the decision of the MCC board to approve Indonesia for compact status have proven the success of our counter-terrorism, law enforcement, and government reform cooperation here. We can--and should--do more in these areas. Regionally, developing a Southeast Asia policy without Indonesia at the center would be like negotiating with the European Union without consulting Germany, France,

the United Kingdom and Poland combined. With 45 percent of ASEAN's population, Indonesian leadership is crucial for the region situated between China, India and Japan. Internationally, President Bush's invitation to President Yudhoyono to join the G-20 summit confirmed that Indonesia has arrived as a global player. Indonesia is the world's most populous Muslim majority country, and is ranked, by Freedom House, as the freest country in Southeast Asia. If the United States wants deeper dialogue with the Muslim world on managing the challenges of the 21st century, that dialogue should start with Indonesia. Why not start with a democracy?

WHY NOW?

14. (SBU) The world economic crisis helps create this opportunity. Increased diplomatic efforts aimed at crisis management and institutional reforms have boosted our bilateral relations. Longstanding issues are nearing completion: negotiation of a Tropical Forest Conservation Act arrangement; signing of a new Fulbright MOU plus the possibility of an additional agreement on Indonesian funding for scholarships for study in the U.S.; resolution of a major copyright lawsuit regarding Intel; dismissal of a malicious Avian Influenza lawsuit against the USG; conclusion of an agreement on defense cooperation; signature of the already completed Bio-Security Engagement Program agreement; and, authorization to purchase land for a new chancery. On the horizon are negotiation of a bilateral Science and Technology Agreement and a possible material transfer agreement that will lead to resumption of sharing of avian flu samples. In addition to rising economic strains, Indonesia faces parliamentary elections in April and a presidential election a few months later. Early action to build a strategic partnership would pay further dividends economically and

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politically.

REGIONAL PROMOTION OF DEMOCRACY

15. (SBU) The first element in a strategic partnership should be promoting democracy. As a result of Indonesia's remarkable democratic transformation, almost 250 million more people live in a democracy now than just ten years ago. The recent positive decision by the MCC board has made it possible to negotiate a major, multi-year program to boost Indonesia's decentralization and good governance reforms. Indonesia is already promoting democracy regionally through the Bali Democracy Forum (BDF). Speaking at the BDF, Foreign Minister Wirajuda challenged Malaysia's and Singapore's invocation of "Asian values" by responding that Indonesia organized the Bali conference to reflect universal values of democracy and human rights. President Yudhoyono, bilaterally and through ASEAN, has urged Burma to undertake democratic reforms. Through a partnership with Indonesia, we can boost Indonesia's effort to promote democracy regionally and beyond. Indonesia's size and democratic system make it the one country able to lead in promoting democracy throughout the region.

REGIONAL SECURITY AND DEFEATING TERRORISM

16. (SBU) Spanning the region between East Asia and the Indian sub-continent and between the Pacific and Indian Oceans, Indonesia is critical to stability in Southeast Asia. With tacit United States' support and encouragement, only Indonesia, with nearly half of ASEAN's population, can lead ASEAN to fulfill its goals for regional security. We should sign the Treaty of Amity and Cooperation (TAC) in order to play a greater role engaging ASEAN and participating in ASEAN-centered regional institutions. Expanded security cooperation with both the police and the military is at the core of our new bilateral relationship. Indonesian police are overcoming the threat of terrorist attacks, without sacrificing human rights, and the maritime police and Navy are successfully combating piracy in the Straits of Malacca

through which transits over one-third of global trade. We should complete the restoration of relations with all parts of the Indonesian military and police based on their progress in reform. The goal should be a more professional military and police, operating within the rule of law at home and contributing to regional security and peacekeeping operations.

CLIMATE CHANGE

17. (SBU) The U.S. and Indonesia are environmental superpowers who must cooperate to save our planet in peril. Indonesia is first in the world in marine biological diversity and second in land biological diversity, but is also the world's third largest carbon dioxide emitter. We should explore how to partner with Indonesia in multilateral negotiations for a post-Kyoto framework. President Yudhoyono has said Indonesia would make binding commitments on the reduction of emissions in return for incentives to avoid deforestation. Bilaterally we can work to secure such a commitment; regionally we can make decisions to preserve forests and to strengthen the Coral Triangle Initiative; and, internationally, we could leverage such progress by working together to move China and India toward accepting real climate change obligations. Scientific collaboration will be critical to resolving climate change, and our environmental partnership would be enhanced by a new bilateral science and technology agreement.

PROMOTING EDUCATION

18. (SBU) The best way to gain a U.S. partner in the Muslim world is through the free and open exchange of ideas--values which Indonesia shares. President Yudhoyono has committed to doubling the government's educational budget. We should

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double our educational cooperation budget as well. Our goal should be to double the number of Indonesians studying in the United States (only 7,500 now) and the number of Americans studying in Indonesia over the next five years. We should work with U.S. high-tech firms to assist Indonesia's quest to make information technology part of every child's education. The Indonesian leaders who were educated in the United States have been more forward-looking, reform-minded and willing to collaborate on joint initiatives than their Indonesian-educated colleagues. There are too few American colleges and universities working with Indonesian institutions to develop advanced degrees, to do research, and to promote language learning, and exchanges. We should promote university partnerships that create joint degree programs. The top priorities should be applied science and technology, entrepreneurship, economic development, agriculture, and English. Bringing the Peace Corps back to Indonesia in 2009 is an immediate mechanism to build people-to-people ties between our countries. Investment in education will make Indonesia's economy more productive and Indonesia's democracy more effective. A more prosperous Indonesia can become a key market for U.S. goods and an open economy in a region where protectionist tendencies lurk just beneath the surface. These objectives advance U.S. regional and global interests.

APPLYING SMART POWER

19. (SBU) Now is the time for a smart power strategy to push forward U.S.-Indonesia relations and U.S. interests throughout Southeast Asia. Already the USG has worked well with Indonesia to counter terrorism, to stamp out piracy in the Straits of Malacca, to fight narco-trafficking, and to build strong security and police ties. We have programs to support Indonesia's remarkable democratic changes. An active public diplomacy strategy has turned public opinion trends in our favor. The policy initiatives suggested above, when added to ongoing programs, constitute a comprehensive smart power strategy. Should President-elect Obama give a

speech in the capital of a Muslim country on relations with the Islamic world, Jakarta would give him the most favorable platform.

REQUEST TO NEGOTIATE A STRATEGIC PARTNERSHIP

¶10. (SBU) Last month, President Yudhoyono suggested a strategic partnership with the United States; we should take him up on this idea. Foreign Minister Wirajuda has told the Ambassador he is ready to begin discussions on the elements of a strategic partnership based upon our shared values of democracy, pluralism and respect for human rights (reftel A).

Mission requests authorization to respond positively. Additionally, we request guidance for discussions on a strategic partnership that includes substantive elements of democracy, regional security, climate change, and education.

HUME